

**MINUTES OF THE MEETING OF THE  
UNIFORM COMMERCIAL CODE COMMITTEE  
OF THE BUSINESS LAW SECTION  
OF THE STATE BAR OF CALIFORNIA**

**Tuesday, January 8, 2008  
Offices of Morrison & Foerster LLP  
(Los Angeles and San Francisco)**

The January 8, 2008 meeting of the Uniform Commercial Code Committee (the "Committee") was called to order at approximately 10:00 a.m., with Janice Kosel presiding.

**A. ADMINISTRATIVE MATTERS**

1. **Appointment of Secretary.** Jane Springwater agreed to serve as Secretary of the meeting.
2. **Roll Call/Attendance.** Please refer to the attendance sheet attached at the end of the minutes.
3. **Consideration/Approval of December 4, 2007 Meeting Minutes.** The minutes of the December 4, 2007 meeting were approved.
4. **Meeting Dates; Change of April Meeting Date.**
  - a. **Change of April Meeting Date:** The Committee agreed to move the April meeting from Tuesday, April 8, 2008, to Tuesday, April 15, 2008 at 10:00 a.m. because the ABA Business Law Section meeting is scheduled for April 9 in Dallas. The Committee expressed a preference for meeting after the Dallas meeting, not the day before it.
  - b. **Joint Luncheon with Insolvency Committee:** The Committee discussed a proposed date for a joint luncheon with the Insolvency Committee. Janice Kosel's preference is to hold the luncheon following the UCC Committee meeting on February 12. Alternatively, the Committee could have the lunch on February 8 or February 15. Janice Kosel agreed to email the Committee with the date for the joint luncheon.
5. **Status of Applications to the Committee.** There was no report.
6. **Subcommittee Membership.** The Committee welcomed Ken Miller as Chair of the Publications and Programs Subcommittee. The Committee agreed that Pat Costello would be taken off the Liaison Subcommittee (BSL Insolvency Committee) and moved to the Cyberspace Subcommittee.

**B. MAIN AGENDA ITEMS**

1. **Full Payment Check Subcommittee.** Pat Costello reported that he completed the edits to the letter to Steven K. Hazen and sent the letter two days after the last Committee meeting, meeting the early date for submission of the letter to Assemblyman Ruskin.

Pat Costello stated that he thought it would take some time for a response to filter back to the Committee. Harry Sigman asked if anyone knew the date for submission of bills. Edith Warkentine reported that the last date for submission of new bills is February 22, 2008. Harry indicated that the Committee wants Assemblyman Ruskin to put the suggested changes in a bill. Pat Costello stated that if the Committee wants to draft anything, it will need to go back to Executive Committee. Harry Sigman said that he does not think the Committee needs to do any drafting. Pat Costello agreed to send an email to Steve Hazen to see with whom he is corresponding. Harry Sigman indicated that we want the earliest possible notice if Assemblyman Ruskin will not follow the Committee recommendations. Pat Costello agreed to check with Steven Hazen for the status.

**2. Commercial Money Center Case.** Vasco Morais reported that he was working on a final draft to send to the public, and was hoping to have something soon. He reported that he sent an email requesting an update on the status of the FDIC stay.

**3. Hidden Liens Project.** Wansun Song reported that he intends to reassign those sections of the hidden lien report that have not been vetted by two people. Wansun indicated that he would like to reassign the analysis of certain sections to the Insolvency Committee before our lunch meeting. Wansun Song further stated that he wants to post on the on the UCC Committee website during the first quarter of 2008 those sections of the lien report that have been reviewed. Janice Kosel concurred about posting the existing report this quarter with quarterly updates. Regarding agricultural liens, Harry Sigman stated that he was reminded in a recent call that about ten years ago the agriculture subcommittee of the commercial finance section of the ABA prepared a nationwide agricultural lien binder. Harry Sigman reported that he does not know whether the binder still exists, and if so, whether it has been updated. Janice Kosel agreed to email Elliot Heinds to see if Elliot can find out whether the binder exists. Jay Bingham, Insolvency Committee Liaison, agreed to circulate among the Insolvency Committee those sections of the hidden lien report that the Committee needs reviewed.

**4. Proposal for Programs at Annual Meeting.** The Executive Committee has asked the Committee to propose program topics for the annual meeting. The program will be an hour long program. The Committee discussed three suggestions: debtor's name on financing statements; hidden liens; and the Commercial Money Center case. Edith Warkentine stated that it is unlikely that Commercial Money Center would be chosen because it would not have broad appeal to the audience at the annual meeting. The Committee agreed to order the suggestions 1-debtor names, 2-hidden liens, and 3-Commerical Money Center. The Committee also agreed to ask the Executive Committee if it had an interest in another topic. Harry Sigman expressed interest in speaking at the program.

## **C. SUBCOMMITTEE AND OTHER REPORTS:**

**1. Bogus Filing.** Edith Warkentine reported that Riverside County officials are concerned about the bogus filings and have proposed legislation to address their concerns. The Committee is opposed to anything that will affect UCC filings in the Secretary of State's Office. The Committee agreed that Janice Kosel will email Mark Porter to see what kind of authorization we need from the Executive Committee for a UCC Committee member to represent the UCC Committee of the State Bar to seek to have Riverside withdraw legislation or

revise it. The Committee will seek Executive Committee's approval regarding to whom we communicate and in what format such communication should be made.

2. **Website Development and E-Communications Subcommittee.** Vasco Morais reported that he prepared a lengthy email which he is almost ready to send. He has communicated with Susan Orloff and has now uploaded the business law news going back three to four years. Vasco Morais reported that the website already had all the UCC work-product. With respect to the e-bulletin, Vasco reported that he has an idea for content.

3. **Publications and Programs Subcommittee Archiving Project.** The Committee discussed a target of one Webinar per quarter, one to two hours in length. The presentation should not focus on too specialized an area or a demographic audience. The Committee discussed default and remedies and assignment of rents as two possible presentations. A Committee member stated that Susan Orloff would help with marketing and CLE credit. To provide momentum, Committee members could write articles based upon the presentations. It was suggested that we start with Webinars once each quarter and then think about live presentations.

4. **ABA Task Force on Filing Office Operations and Search Logic.** The Committee does not have a roster of people on this subcommittee. Wansun Song and Janice Kosel agreed to send out an email requesting members. There are materials on the ABA website. As soon as the Committee has a task force, the Committee will circulate the materials. Pat Costello agreed to contact the chairman of the ABA task force to better understand the goal of the task force. The first order of business is to encourage volunteers for this subcommittee. Harry Sigman suggested that whoever goes to Dallas should attend the meeting and report back to the Committee.

5. **Partnership Guide.** John Oehmke reported that he will be in touch with Eric Sternberger, the co-chair of the project. The Committee may want to draft a section to the Limited Partnership Guide on creating and perfecting a security interest in limited partnership interests. The first step is to form a subcommittee. February 14 is the deadline for submitting an outline of the Committee's proposal. The Committee discussed preparing model forms of consents and waivers. Karl Christianson volunteered to joint he subcommittee.

6. **Uniform Assignment of Rents Subcommittee.** This subcommittee reported that it is aiming for February to propose its position to the Committee.

7. **Deposit Control Agreements Subcommittee.** Karl Christiansen reported that this subcommittee is having its first meeting on January 18. Harry Sigman thinks that the ABA is close to completing its model form. Harry Sigman suggested that if the Committee likes the forms, the Committee should try to persuade the California banks to adopt them. If the Committee thinks there are additional inserts that are needed, the Committee should make those recommendations quickly.

#### **D. LIAISON UPDATES**

1. **Status Report from Executive Committee.** There was no report.

**2.     Status Report from Other Committees.**

a.     Insolvency Committee. Jay Bingham reported to the Committee that the Insolvency Committee was updating its website as well as working with the business law section. Jay Bingham stated that he would appreciate assistance with issues related to California Code of Civil Procedure Section 697.530 (interests in personal property subject to attachment). Jay Bingham stated that the Insolvency Committee is looking for a sponsor in connection with renewing judgment liens. The Insolvency Committee is also looking to increase their constituency. They are working on a project identifying and correcting erroneous references to the Bankruptcy Code and bank statutes, working on a law school writing competition, and have submitted for consideration subjects for presentations at the annual meeting.

b.     Corporations Committee. There was no report.

**E.     OTHER ITEMS.**

There were no additional items reported.

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The meeting concluded at approximately 11:40 a.m..

Attendance at the January 8, 2008 Meeting:

Janice E. Kosel	Present
Wansun Song	Present
Edith R. Warkentine	Present
Patrick Costello	Present
Harry C. Sigman	Present
Ariel A. Berrios	Absent
Peter Burke	Present
Karl H. Christiansen	Present
Kevin Cops	Absent
Michael DuQuesnay	Present
Zachary S. Finley	Present
Elliot Hinds	Absent
George Kalikman	Absent
Ken Miller	Present
Sandra Lee Montgomery	Absent
Vasco H. Morais	Present
Theotis F. Oliphant	Absent
John Oehmke	Present
Jane K. Springwater	Present
Leila Tredemeyer	Present
Robert A. Trodella, Jr.	Absent
Demetria Vong-Spillan	Absent
Mark Porter (Ex Com Liaison)	Absent
Barry Dubin	Present
Jay Bingham	Present